VICTIMS OF GUN VIOLENCE

Mr. SCHUMER. Mr. President, it has been more than a year since the Columbine tragedy, but still this Republican Congress refuses to act on sensible gun legislation.

Since Columbine, thousands of Americans have been killed by gunfire. Until we act, Democrats in the Senate will read some of the names of those who lost their lives to gun violence in the past year, and we will continue to do so every day that the Senate is session.

In the name of those who died, we will continue this fight. Following are the names of some of the people who were killed by gunfire one year ago today.

July 18:

Sabino Cornejo, 39, Memphis, TN; Ronald Dowl, 24, New Orleans, LA; Steven Gardner, 45, Miami-Dade County, FL; Gregory Irvin, 17, St. Louis, MO; Willie Love, Detroit, MI; Iddeen Mustafa, 17, Detroit, MI; Phet Phet Phongsanarh, 20, Detroit, MI; Roberto Ramirez, 15, Detroit, MI; Ronald Regaldo, 19, Denver, CO; Lenou Thammavongsa, Detroit, MI; Jorge Vasquez, 18, Dallas, TX; Dawamda Withrow, 20, New Orleans, LA; Unidentified male, 25, Norfolk, VA.

One of the victims of gun violence I mentioned was Sabino Cornejo, a 39-year-old Memphis man who was a beloved and highly respected member of his community. One year ago today, gunmen burst into his home and ordered him and his family to the floor. Sabino was shot and killed in front of his four children.

We cannot sit back and allow such senseless gun violence to continue. The time has come to enact sensible gun legislation. Sabino's death is a reminder to all of us that we need to act now.

DEATH TAX ELIMINATION ACT

Mr. KYL. Mr. President, last Friday, the Senate concluded debate on the Death Tax Elimination Act, H.R. 8, and passed the bill by a bipartisan vote of 59 to 39. I am very grateful to Senators on both sides of the aisle who supported this important legislation.

The broad, bipartisan support the death-tax repeal bill received suggests that we have finally found a formula for taxing inherited assets in a fair and common sense way. Unrealized gains will be taxed, but they will be taxed when they are earned—not at death. Death itself will no longer trigger a tax.

This change—effectively substituting a capital-gains tax, which would be due upon the sale of inherited assets, for an estate tax at death—is itself a compromise.

When I first introduced a death-tax repeal bill in 1995, I did not propose any change in the stepped-up basis—a change that is at the heart of this bill. My original legislation would have repealed the death tax and allowed heirs to continue to step up the tax basis in the inherited property to the fair market value at the date of death.

That is obviously the ideal world for taxpayers: No death tax, and a minimal capital-gains tax when the inherited assets are later sold. The problem was, that approach sat idle for four years. We could not get it to the Senate floor for a vote, and we could not attract bipartisan support for it.

The idea behind this bill really came out of a hearing before the Senate Finance Committee in 1997. At the hearing, Senators MOYNIHAN and KERREY acknowledged that the death tax was problematic, but expressed the concern that, if we repealed the death tax without adjusting the basis rules, unrealized gains in assets held until death could go untaxed forever.

It struck me then that we had the basis for a compromise. If we could agree that death should not trigger a tax, we should be able to agree that death should not confer a tax benefit, either. The answer was to simply take death out of the equation. Coupling death-tax repeal with a limitation on the step-up in basis does just that.

So H.R. 8 represents a compromise. And that is why, I think, we were able to win the votes of 59 Senators, including nine Democrats. And that is why 65 Democrats were able to support the legislation in the House of Representatives.

During consideration of the death-tax repeal bill last week, some of our colleagues on the other side proposed a different kind of compromise. They said theirs would repeal the death tax for virtually all family-owned businesses and farms. Some have suggested that, if President Clinton vetoes the death-tax repeal initiative, the Democratic substitute might serve as a basis for further compromise. The problem is, the approach taken in the substitute—while well-intentioned—is fatally flawed.

Here is how the Wall Street Journal put it in an editorial on July 13:

> Senate Democrats also offer to expand a small-business and farm exception that is a tax-lawyer's dream. The loophole, known as IRS Code section 2057, is so complicated and onerous that few estates qualify.

Let me take a few moments to explain the deficiencies of this Democratic substitute. First, there are requirements that more than 50 percent of the decedent's assets must be made up of the qualifying business; that the decedent or immediate family must have actively operated the business for five of the eight years preceding death; and that a member of the immediate family must agree to continue to operate the business for at least 10 years after the decedent's death.

If any of these conditions is not adhered to for 10 full years after death, the government can still collect the original estate-tax that was due, plus accrued interest.

And understand this: to protect its right to recapture the estate tax if the business fails to comply, the Federal Government attaches a Federal tax lien to the property for a full 10 years. For a business, like farming, which is credit-dependent, such tax liens can make it virtually impossible to secure loans and financing for business operations, for growth, and for viability. In addition, the heirs are held personally liable for the estate tax and any penalties.

So, far from providing meaningful relief, the Democratic substitute leaves a cloud over the family business for up to a decade after death. The government can come back any time and recapture the estate tax that was due, plus interest, if the business, at any point, falls out of compliance. The threat of reimposition of the tax absolutely limits the family's flexibility in managing and disposing of business assets in its best interest.

The Democratic substitute relies on the current law's onerous material participation requirement, which, in effect, forces the family to work in the day-to-day operation of the business, or face the death tax, plus severe penalties. These requirements may be difficult to satisfy if, for example, the present owners are disabled or other family members are not yet involved in the business.

It relies on very complex rules for determining the value of farms and closely-held business interests. Historically, the IRS has challenged virtually every valuation method used, and these challenges typically wind up in Tax Court.

There are currently 149 tax cases which have been decided and reported involving 2032A issues. The IRS has challenged the validity of 2032A election or planning, and has won in approximately 67 percent of the cases. An equal number may be embroiled in the administrative process before court action. So much for relief—two-thirds of the few who do think they qualify, do not ultimately qualify and have to pay the tax with interest.

The so-called family business ''carveout,'' which is embodied in Section 2057 of current law, is so bad that the Real Property and Probate Section of the American Bar Association has urged its repeal.

The reason the ABA condemns this section so strongly is that it is extremely complex and has an extremely limited application. It provides little practical help to families trying to preserve the family-owned farm or small business. It incorporates 14 sections from Section 2032A, which the ABA considers the most dangerous section of the estate-tax law because of the risk of malpractice claims against estate-planning lawyers and accountants.

So the fact is, if you rely on these sections of the tax code, you can raise the value of the estates eligible for relief as high as you want, and still few estates are going to get the intended relief. Estimates are that only about three to five percent of estates would benefit, and even then, as I said before,

if they do not continue to meet all requirements for 10 years after death, the government can still come back and collect the original estate-tax bill plus accrued interest. The government's interest is protected by a lien that is maintained on the business for 10 years.

Of course, because the family-business carveout is so complex—because it requires determining compliance and ensuring continued compliance for 10 years—business owners have to continue to engage in expensive estate-tax planning. That is a tremendous waste of resources—resources that would otherwise be plowed back into the business for new jobs, better pay for current employees, business expansion, or research and development.

A recent report by the National Association of Women Business Owners (NAWBO) found that, ''on average, 39 jobs per business or 11,000 jobs have already been lost due to the planning and payment of the death tax.'' NAWBO projects that, on average, 103 jobs per business, or a total of 28,000 jobs, will be lost as a result of the tax over the next five years. That would not change under the Democratic substitute, because there would still be a need for expensive estate-tax planning.

Mr. President, 59 Senators voted for a better approach—one that takes death out of the equation and taxes inherited assets like any other assets for tax purposes. A capital-gains tax would be paid when the assets are sold, with only a limited adjustment in the decedent's tax basis to ensure that no one is subject to new tax liability.

That is the true compromise. Tinkering with an already unworkable section of the tax code is not an effective substitute. I hope the President will sign the Death Tax Elimination Act when it reaches his desk. If not, we will be back next year when a new President is in the White House, and I predict that we will prevail.

I yield the floor.

WILLISTON WATER TRANSMISSION LINE

Mr. DORGAN. Mr. President, I rise today as a proud cosponsor of the bill to authorize the Williston Water Transmission Line. Williston is a small town of 13,000 located in the Northwest corner of North Dakota about twenty miles East of the Montana state line. Williston is located along the Missouri River not far from where the Fort Union Trading Post existed from 1828–1867. Today the fur trading post is a tourist attraction, and agriculture and oil productions are the main industries in the Williston area.

Mr. President, prior to construction of the existing Williston Water Treatment Plant, Williston obtained water to meet its municipal needs from the Missouri River. With the construction of the Garrison Dam and the creation of Lake Sakakawea in 1954, Williston is in the delta area of Lake Sakakawea and had to relocate its water intake and water treatment plant approximately five miles upstream to its present location. The Corps and Williston funded the construction of a large diameter transmission line to convey the entire water supply from the water treatment plant to the city of Williston.

All of the water treated by the water treatment plant must flow through this single existing transmission line to reach Williston. In the 1970's and early 80's, siltation covered the existing intake valves for the city's water supply, requiring the construction of two new intake valves. The lake is currently silting twice as fast as the original Corps estimate. Mr. President, in the spring of 1998, a leak in the transmission line caused by the saturated soil forced the city to forgo any supply of water for five and a half days. The lack of accessibility, unstable soil conditions and high ground water along the route make the line's reliability a significant concern. Williston must now construct a new water transmission line on higher ground.

This bill will authorize the construction of a new water transmission line to Williston. Because the old line has been damaged by the construction of the Garrison Dam, this authorization is appropriate and essential. Mr. President, I would like to commend the residents of Williston who have worked so hard for so long to resolve this problem. They have been tireless in their efforts to fix this problem—a problem caused by the Federal government.

Mr. President, I join with Senator CONRAD and look forward to working with my colleagues to ensure the citizens of Williston have a reliable water transmission line.

THE WHITE MOUNTAIN NATIONAL FOREST

Mr. KERRY. Mr. President, today the Senate passed the Interior Appropriations bill for fiscal year 2001. Included in that legislation is a rider that exempts the White Mountain National Forest in New Hampshire from the Forest Service's Roadless Initiative. While I supported the passage of the Interior Appropriations bill, I want to express my concern over this rider.

I am concerned because the White Mountain National Forest is a national resource, and it is completely appropriate for the federal government to set forth policies to conserve and protect a national resource. Many of my constituents in Massachusetts hike, camp, sightsee and enjoy the great natural lands of the White Mountains. In fact, it was a Massachusetts Congressman, John Weeks, who sponsored the legislation creating the White Mountain National Forest. When the Forest Service sought comment on a new management plan for the forest, more than 54 percent of all comments were submitted by Massachusetts residents. Proponents of the rider have argued that its purpose is to protect local control of forest management. Certainly local residents should have input in the management of the forest. I urge local participation in decisions at Cape Cod National Seashore. However, it sets a bad precedent when one forest is exempted from a national policy to protect the national interest.

Despite these concerns I did not move to strike this rider. The reason, ironically, is that I'm confident that the White Mountain National Forest will remain protected because of local input. Time and again, the local process, driven by the citizens of New Hampshire and Massachusetts, has resulted in sound management of the White Mountain National Forest. So, while I oppose the amendment for the precedent it will set, I expect and hope that it will have almost no impact on the health of the forest.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, July 17, 2000, the federal debt stood at $5,671,572,598,778.11 (Five trillion, six hundred seventy-one billion, five hundred seventy-two million, five hundred ninety-eight thousand, seven hundred seventy-eight dollars and eleven cents).

Five years ago, July 17, 1995, the federal debt stood at $4,927,653,000,000 (Four trillion, nine hundred twenty-seven billion, six hundred fifty-three million).

Ten years ago, July 17, 1990, the federal debt stood at $3,160,395,000,000 (Three trillion, one hundred sixty billion, three hundred ninety-five million).

Fifteen years ago, July 17, 1985, the federal debt stood at $1,795,284,000,000 (One trillion, seven hundred ninety-five billion, two hundred eighty-four million).

Twenty-five years ago, July 17, 1975, the federal debt stood at $533,089,000,000 (Five hundred thirty-three billion, eighty-nine million) which reflects a debt increase of more than $5 trillion—$5,138,483,598,778.11 (Five trillion, one hundred thirty-eight billion, four hundred eighty-three million, five hundred ninety-eight thousand, seven hundred seventy-eight dollars and eleven cents) during the past 25 years.

ADDITIONAL STATEMENTS

HONORING THE ECOLE CLASSIQUE ACADEMIC GAMES TEAM

• Mr. BREAUX. Mr. President, I rise to pay tribute to the Ecole Classique Academic Games team from Metairie, Louisiana, which is one of the most successful Academic Games teams in America.

For the past seven years, Ecole Classique has competed in the National Academic Games in Eatonton, Georgia. Over these years, the team has won hundreds of first, second and third